

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer

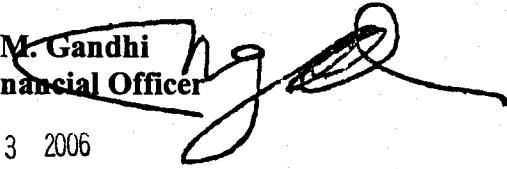


2006 NOV 13 PM 3:34

CHAIRMAN CROPP

MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: NOV 13 2006

SUBJECT: Fiscal Impact Statement: "Mayor and Chairman of the Council
Transition Emergency Amendment Act of 2006"

REFERENCE: Bill Number 16-965 (Revised)

Conclusion

Funds are sufficient in the FY 2007 budget and financial plan for the above captioned legislation.

The \$400,000 for the transition costs of the Mayor-elect and Council Chairman-elect as specified in the proposed legislation will be made available through a reprogramming of existing appropriations. The legislation authorizes the expenditure of such funds only after each candidate is certified as the successful candidate for each respective office by the D.C. Board of Elections and Ethics following the November 7, 2006 general election or, for the period between the general election and certification, after the D.C. Board of Elections and Ethics announces the unofficial winners.

The \$1 million request for Council personnel costs and the \$1 million request for the Council Administration program require an allocation from the FY 2007 Operating Cash Reserve.

Background

The proposed legislation authorizes the Mayor to take appropriate action to provide for the orderly transfer of executive duties and responsibilities resulting from the election of a new Mayor, and the transfer of legislative duties and responsibilities resulting from the election of a new Council Chairman.

The proposed legislation authorizes the Mayor to make available office space, furniture, office machines and supplies for the Mayor-elect and the Chairman-elect and their transition staffs, as well as to provide funds for purposes specified in the bill, such as compensation, procurement, travel and postage. The legislation provides that up to \$250,000 may be made available for transition costs of the Mayor-elect, and up to \$150,000 for transition costs of the Council Chairman-elect.

In addition, the legislation adjusts the rate of compensation for the Mayor to \$200,000, effective January 2, 2007, subject to the availability of appropriations or reprogramming of funds.

Finally, the proposed legislation authorizes the expenditure of up to \$2 million from the FY 2007 Operating Cash Reserve. Of the \$2 million, no more than \$1 million may be spent for D.C. Council personnel and compensation costs and no more than \$1 million may be spent by the D.C. Council Administration program for central services.

Financial Plan Impact

The proposed legislation stipulates that the funding authorized for the transition costs specified in the bill shall be subject to certification by the Chief Financial Officer and Council approval of the reprogramming of available funds.

The proposed legislation authorizes the funds to be expended when the Mayor-elect and Council Chairman-elect are certified as the successful candidates by the Board of Elections and Ethics. The legislation further stipulates that no funds may be expended for transition purposes after the seventh day following the date of the inauguration of the Mayor-elect and Chairman-elect.

Section 7 of the proposed legislation, which increases the salary of the Mayor effective January 2, 2007, is subject to appropriations or the reprogramming of funds.

The funds for Council personnel costs and the Council Administration program are available from the FY 2007 Operating Cash Reserve.